India's Share in World Trade

506. SHR1 NANA DESHMUKH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India's share of world's exports is merely 0.67 per cent;

(b) whether it is also a fact that the possibility of achieving one per cent share in world trade had been projected at such a time when exports are in a virtual decline;

(c) if so, the reasons therefor; and

(d) the steps being taken to achieve the projected target?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) to (d) The share of India's export in world trade is 0.67% in 2000. India's share in World Trade has risen from 0.41% in 1992-93 to 0.6% in 1998-99 and 0.67% in 2000.

As per the latest available data from Directorate General of Commercial Intelligence and Statistic (DGCI and S), Calcutta, India's exports of merchandise goods during April-January, 2001-2002 are valued at US$ 36.526 billion which is 1.56% higher than the level of US$ 35.963 billion during April—January, 2000-01. Exports, during the months of January 2002, recorded a rise of 18.18% in dollar terms as compared to the exports of January, 2001.

The Medium Term Export Strategy (MTES), for the period 2002 — 2007, has been announced for the next five years which aims at increasing India's share of merchandise exports to I % of World exports by 2006-07. Medium Term Export Strategy gives a road map for the export sector including key macro and sector-wise strategies. Further, focus products have been identified by examining the import basket of major trading partners and India's export basket

Industrial growth in Tenth Plan

507. SHRI SURESH PACHOURI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what was the target for industrial growth rate;

(b) whether the industrial growth has suffered recently;

(c) if so, the factors responsible for this decline; and

(d) in what manner Government propose to improve the situation during the Tenth Five Year Plan?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) The Planning Commission has set an annual target of 8.2% for industrial sector during the Ninth plan period. The approach paper to the Tenth Plan mentions that the industrial sector will have to grow at over 10% to achieve the Tenth Plan target of 8% growth for GDP.

As per the latest data available, the growth rate in industrial production during April-December 2001- 02 has been 2.3% which is less than the targeted annual growth rate of 8.2% for the industrial sector set for the Ninth Plan period.

(c)The decleration in industrial growth has been attributable to a number of structural and cyclical factors such as:

- Investment and business cycles.
- Inherent adjustment lags of corporate restructuring.
- Lack of both consumer and investment demand.
- Continued high real interest rates.
- Infrastructure constraints particularly in power.
- Delays in establishing credible institutional and regulatory framework to provide the requisit comfort level for private participation in some key sectors have also dampened private investment and industrial production.
- Lack of reforms in land and labour markets.
- Continued economic slowdown in countries that are major trading partners of India, viz. USA, Japan, and European Union.

(d) The approach paper to Tenth Plan lays emphasis on extending the process of industrial liberalization, which has been extensively implemented at the central levels, to state levels also. It also lays emphasis on creating an industrial policy environment in which private sector companies, including erstwhile public sector companies, can become efficient and competitive. The Government has already initiated steps in this direction. Some of the measures taken/proposed to be taken to improve industrial performance are mentioned below:

- Public spending out *of the* budgetary allocations has been stepped up. Government has already identified several 'last mile projects' under various ministries for speedy completion.

- DIPP has proposed to conduct sector-wise studies in respect of capital goods, electrical manufacturing, pulp and paper and cement industries with a view to enhance the competitiveness of these industries.

- Companies Act has been amended to allow buy-back of shares, by the companies.

- To deepen reforms in stock exchanges and to provide protection to the investors, Union Budget 2002-03 proposes amendments in SEBI Act 1992.

- The Government has announced guidelines for allowing 100% FDI in the development of integrated townships and regional urban infrastructure. This is expected to boost housing/real estate sector and also boost production in cement and steel sector.

- To boost Foreign Institutional Investment (FII) in India, FII portfolio investments will not be subject to the Sectoral limits for foreign direct investment except in specified sectors.

- Mid term Export strategy for 2002-07, to lay stress on effective tax rebate schemes to help exporters, which include transparent and comprehensive schemes of reimbursement, comprehensive VAT system at every level, rebating service tax besides lower customs and excise duties for major inputs needed for exports which can minimise the need for duty drawback. Sector-wise strategies to boost production for exports in key sectors, which include engineering/ electronic/electrical, and allied, textiles, gems & jewellery, chemicals & allied sector have also been announced.

- To reduce infrastructure bottlenecks several incentives have been announced in the Union Budget 2002-03 for improvement in power, roads, civil aviation and ports. The Golden Quadrilateral project will be substantially completed by December 2003-a year ahead of scheduled, major ports to be corporatised in a phased manner and an

allocation of Rs 2500 crore has been made for the Pradhan Mantri Gramin Sadak Yojana for 2002-0?.

- Infrastructure equity fund of Rs 1000 crore will be set up to help in providing equity investment for infrastructure projects.Total Plan outlay on infrastructure in power, roads and railway is Rs 37919 crores.
- Union Budget 2002-03 proposes abolition of 16% special excise duty on all, except eight items, additional 15% depreciation on new plant and machinery, reduction of peak of custom duty to 30% rationalisation of custom duty rates to two duty rates by 2004-05, and have announced special incentives for textile industry.
- Measures to boost Housing sector such as repeal by the States of the rules under the Urban Land Ceding Act, rationalisation of high stamp duty regimes proposed in the Union Budget 2002-03.

Streamlining of Exports

†508. SHRIJANESHWAR M1SHRA: Will the Minister offOMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the export of goods from India has been decreasing constantly due to the absence of a far sighted policy of Government.

(b) if so, whether it is also a fact that the wheat and rice exported from India are being rejected by foreign countries due to bad quality;

(c) if so, the details in this regards; and

(d) the policy being adopted by Government to streamline the same?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) No, Sir. India's exports during 2000-01 are valued at US $ 44.56 billion as compared to the level of US $ 36.82 billion during April-March, 1999-2000 thereby, registering a growth of 21% which was higher than the target of 18% set for the year 2000-01. This is the highest export growth rate achieved in the last decade. As per the latest available data from Directorate General of Commercial Intelligence & Statistics (DGCI & S), Calcutta, India's exports of merchandise goods* during April-January, 2001-2002 are valued at US $ 36.526 billion which is 1.56% higher

†Original notice of the question was received in Hindi.